

IDC PRESS RELEASE

Due to a Shift in Consumer Spending and a Tight 4G Supply, Malaysia's Smartphone Market Dropped by 28.8% YoY in 1Q22; IDC Expects a Decline in 2022

KUALA LUMPUR, June 10, 2022 – Malaysia's smartphone shipments declined 21.7% quarter over quarter (QoQ) in the first quarter of 2022 (1Q22), according to data from the [International Data Corporation's \(IDC\) Worldwide Quarterly Mobile Phone Tracker](#). The drop in smartphone shipments was due to supply challenges for low-end 4G models, especially from the Chinese vendors, impacting volumes and allocations. Also, the cost of living climbed in Malaysia since the start of 2022, hitting essential goods and other baskets, lowering consumers' budget for smartphones.

"For the first time in two years, Malaysians were able to celebrate Ramadan and Raya free of COVID-19 restrictions. The locals spent more on clothing for open house visits, domestic travels, and other seasonal leisure activities. Those in need of a smartphone will wait for seasonal offers and a better supply of affordable models in the second half of 2022," says [Ahmed M. Ahmed](#), Mobile Devices Market Analyst at IDC Malaysia.

IDC projects a decline of 5% for the Malaysia smartphone market in 2022. Supply constraints for Android's 4G low-end models will make it a challenge for most vendors to meet the demand. On the other hand, the slowing down in demand will lower shipments of higher-priced models. While the increase in minimum wage from May 1st was meant to ease conditions for low-income consumers, businesses are increasing prices to counter the rising costs of materials and logistics as well as higher wages. Retail is growing back its share as more consumers are buying less through the eTail and telco channels. 2021 had a higher base due to subsidies and online promotions.

5G in Malaysia hit another roadblock in mid-May as the top providers are still negotiating with the Digital Nasional Berhad (DNB). "As things stand, brands are not optimistic that 2022 will see a high adoption rate for 5G plans by consumers. Confidence in the coverage quality and the rollout speed will be a major hurdle, along with data plan costs, but we expect the smartphone vendors to continue to roll out 5G smartphones in the market," added [Ahmed](#).

Malaysia Smartphone Market, Top 5 Company Shipments, Market Share, and Year-Over-Year Growth, Q1 2022 (shipments in thousands)					
Company	2022Q1 Shipments	2022Q1 Market Share	2021Q1 Shipments	2021Q1 Market Share	YoY Growth
1. Samsung	784.6	33.9%	830.3	25.6%	-5.5%
2. Xiaomi	562.1	24.3%	794.5	24.5%	-29.3%
3. OPPO	298.3	12.9%	456.5	14.1%	-34.7%
4. vivo	269.4	11.7%	632.5	19.5%	-57.4%
5. realme	181.4	7.8%	261.5	8.1%	-30.6%
Others	216.1	9.3%	270.7	8.3%	-20.2%
Total	2311.9	100.0%	3245.9	100.0%	-28.8%

Source: IDC Quarterly Mobile Phone Tracker, 2022Q1

Note:
* All figures are rounded off

Top 5 Smartphone Vendor Highlights

Samsung maintained its leadership position despite declining by 5% QoQ in 1Q22. The new Galaxy S22 lineup was in high demand, with some variants being out of stock for some time. Rising costs hit the new Galaxy A series, and 2022 refreshes came at a higher price compared to last year. Nevertheless, Samsung was the leader in the 4G space with nearly 38% share of that segment.

Xiaomi was the only Top 5 brand to record a QoQ growth, recording just shy of a 5% increase in 1Q22. Xiaomi faced some supply tightness in March going into April and the brand didn't ship any models within the sub-US\$100 segment, but the new Redmi Note 11 Pro was its top model in the mid-range and its aggressive retail expansion continued. Numerous stores and kiosks are opening across the country as in-person shopping is recovering.

OPPO came in third place despite declining both YoY and QoQ. Shipments of 4G models for OPPO's A series were impacted due to supply issues. At the same time, OPPO offered price cuts and bundles to improve the sluggish sales of the mid-range. OPPO's effort to break into the premium space continued with more concept stores to offer a better user experience and lift the brand's mindshare with consumers.

vivo was also impacted by the lower allocation of 4G models to Malaysia. In 1Q22, it came in fourth place with a YoY decline of over 57%. vivo's eTail shipments stayed consistent despite the lifting of restrictions and the rise of retail shopping. vivo sees a great growth opportunity for the brand in the >MYR1,000 (>US\$230) segment in the future for its V series.

realme returned to the Top 5 list in Malaysia in 1Q22. While the brand slipped by nearly 31% QoQ, it managed to increase its market share to 7.4%, up by 1.4 percentage points. realme stayed strong in the low-end segment where demand was soaring with the C series, using Unisoc chipsets for its entry-level models.

To know more about the IDC's Worldwide Quarterly Mobile Phone Tracker, please contact Ahmed M. Ahmed at amahmed@idc.com. For media inquiries, please contact Fenny Tjandradinata ftjandradinata@idc.com or Jane Yap at jqyap@idc.com.

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